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TAFOYA CONTINUES TESTIMONY IN TAX FRAUD TRIAL

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Both sides rested Monday in the trial of Eugene Tafoya, who the government claims owes taxes on \$90,000 earned while working for former CIA agent Edwin Wilson.

Tafoya, on trial on charges of tax fraud, was acquitted of attempted murder charges but convicted of misdemeanor assault in the 1980 wounding of a dissident Libyan student in Fort Collins, Colo.

Testifying in his own defense Monday, Tafoya repeated claims he made at his earlier trial that he thought he was on a CIA mission when he shot the student.

Tafoya and his wife, Betty Jo, of Truth or Consequences, N.M., are being tried on charges they underreported their income on their 1980 and 1981 tax returns. The couple reported about \$14,000 in income for both years.

The government contends Tafoya earned at least \$90,000 in unreported income by performing covert work for Wilson. However, Tafoya says that while Wilson promised him a \$50,000 salary, he was never paid any money except as reimbursement for expenses.

Both prosecution and defense rested Monday, and final arguments were expected to begin Tuesday.

Tafoya testified Monday that he received \$3,000 for the Colorado shooting, which he said was for expenses.

"At the time, I thought it was a CIA mission," he said. "Today, I don't know what's going on. I'm as confused as ever."

Wilson, who is no longer with the CIA, has been convicted of smuggling weapons and explosives to Libya and faces trial later this year on charges of providing other aid to Libya for use in a terrorist training school.

Under cross-examination, Tafoya admitted carrying out a 1979 "surveillance job" on Robert A. Manina, a former Wilson associate whose car was firebombed that year in Kitchener, Ontario.

Tafoya faces an extradition hearing on charges filed in the Canadian car bombing, so U.S. District Judge D.W. Suttle rebuffed the government's attempts to question him in detail about the surveillance.

If convicted, the Tafoyas each could receive up to six years in prison.